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1. The Matthias Rakosi Combine (formerly Manfred Weisz Works) conducted research experiments with the so-called "red mud", a by-product of aluminum processing, in view of utilizing it as a basic material for iron production. This red mud piled up in later years in many 100,000 tons lots in Fejér and Komárom counties, near the aluminum mines. In 1952 alone 200,000 tons of red mud was left over after the aluminum processing. The research studies, led by Mrs. Tasnády, née Palma Székely, a chemical engineer, winner of the Kossuth Prize, showed that red mud, if mixed with a certain quantity of iron ore and chalk, can be processed into iron to the extent of about 60-70 percent. 25X1

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3. Recently a partial reorganization took place. The following sections have been merged into one unit: Iron foundry I and II, Steel Foundry and Temper Foundry. This new block also got a separate Communist Party organization. Its head is Bartholomew Vályi-Nagy.

4. The machine shop section. This was considerably enlarged, 5,500 cubic meters of earth was moved. A new transformer building, office building and dressing hall for the workers is already finished, a huge work shop is still under construction. This will be a war material plant.

5. The combine is flooded with orders and directives, all concerning the "lifting of production level", "improvement of quality", "increasing economy in materials", "reducing the number of circulating tools", "reducing refuse", etc. A new forced drive on the workers has been introduced, called "competition to prevent refusification". It is characteristic of the great efforts the Communist Party exacts, that in addition to the production prescribed in the five year plan, in 1952 the

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Rékosi Combine must attain a plus production to the value of 1.5 million forints owing to improvement of quality, 7.5 million forints owing to the increase in quantity. At the same time, economy in materials must be increased by 5 million forints. In the third quarter of 1952 the Rékosi Combine had to reduce its material stock by 24 million forints. In consequence, it can work only on a day-to-day basis.

6. The prescribed quantity for the steel works for the third quarter of 1952 was 1,200 tons of quality steel. The steel production should attain the quality of electro-steel. Scrap here must be reduced by 25 percent. In the same period the scrap in the rolling mills must be reduced by 5 percent. The yearly general overhaul in the rough rolling mills, which until now took 12 days, must be reduced to 6 days. The plate waste must be utilized again.
7. The metal works. These carry out important war materials production. Automobile casts, semi-finished products for gun-manufacturing, iron and aluminum wires are being produced here. In the third quarter of the year about 1,600 complete automobile castings, about 300 tons of semi-finished gun castings, 240 tons of iron wire and 80 tons of aluminum wire were produced. The value of the prescribed plus-production in this quarter was 2 million forints. The stocks had to be reduced by 4 million forints, and the reduction of scrap should have yielded another 600,000 forints. The motors of the Sexo-rollers are being transformed, so that the speed of the cylinders can be constantly increased.
8. The tube plant. This produces mainly for export, the work-tempo is constantly being increased. At present they work on cold-drawn tubes, other tube products, and tubes made by electrical welding. Supervision during production on hot cylinder-lines has been introduced. Scrap had to be reduced here by 8 percent. Experiments with a new kind of rolling are under way. Economy in materials should yield 400,000 forints in the third quarter. According to prescriptions, the production on the new cylinder-lines must be increased with 25 percent.
9. The machine tool plant. This produces mainly radial drilling machines, milling machines, and to a lesser extent other types of machine tools for the Soviet Union. The Communist Party accused this section of lagging behind plans by about 3 million forints. Shortage in bronze materials is very acute here. The quantity of bronze to be utilized monthly has been reduced by 15 tons. Stocks in the third quarter had to be reduced by 1.6 million forints.
10. The tool factory. This was compelled to introduce a "new" Soviet Russian method: to renew old, broken-down tools by welding. This is done by so-called "covering weld" in order to save high-speed steel. Fifteen hundred kilograms of high-speed steel tools had to be made from waste in the third quarter by way of "fine casting". Great numbers of new skilled workers are being trained here. The so-called "two-machines system" has been introduced, by which half of the machines produce 550 hours monthly. The workers hate this system, for it is one of the best methods for driving the workers to a tempo which completely exhausts them.
11. The foundry has to attain in the third quarter 300,000 forints in economy of materials. This shop works in close collaboration with the machine plant of Egyed. It produces mainly parts.

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12. The bicycle factory. This has been in difficulties, for it must fulfill, in the third quarter, a 800,000 forints export surplus. Because of the acute shortage in copper, a new soldering method has been introduced. In the third quarter the bicycle factory got 4.5 tons less copper than needed. But this does not deter Moscow from constantly increasing its demands. Moscow's economic policy is to furnish less raw materials to the countries occupied by her armies and to exact ever increasing production in return. In the bicycle factory 15 processing machines had to be removed from work on orders of the Communist Party; the workers do not know the reason for this measure.
13. The iron and steel foundries. Scrap had to be reduced here by 35 percent; this corresponds to a value of 0.5 million forints. The speed of cleaning and semi-finishing of rough and fine castings was increased in order to facilitate quicker delivery.
14. The electrode factory. The proportion of second-rate-electrodes has been reduced by almost half. The wire material of the scrap electrodes must be regained by a new technological system. They hope to save in this way more than 100,000 forints quarterly.
15. The motorbicycle plant. This struggles with a staggering shortage of colored metals. Reducing of stocks was fixed here to the value of one million forints.
16. The power station. It had to economize 600 carloads of coal from 1 August to 1 October 1952. The use of compressor-oil was reduced. The colored metal shortage is frightening here. Savings in raw materials and ancillary materials in the third quarter were prescribed to the value of more than one million forints.
17. The industrial machine plant. It had to save 850 carloads of coal. The Communist Party ordered this loss to be made up by improving the heating value of the generator gases, only they could not tell how this could be achieved.
18. The procurement services of the Rfkoszi Combine. These had to save 250,000 forints in the third quarter. The so-called "Nazarova Movement", which consists of "careful, economical driving of cars, tractors, etc., without loss of parts and without repairs" and is, in reality, one of the many measures to exploit the worker to the utmost and therefore intensely hated, could muster only 206 "participants" despite high pressure. From these, 30 car drivers were forced to participate in a "national competition" consisting of economizing, with their cars, 100,000 kilometers of transport jobs by guaranteeing to do so without any engine trouble or general overhaul. It is characteristic of the situation prevailing in the motor car fleet of the Rfkoszi Combine that, in addition to the already existing economizing in parts which is destructive to motors, a new, 80,000 forints saving in parts has been ordered.
19. The Machine Plant of Egyed. A great number of apprentices and workers in the "re-training" stage have been assigned to places normally occupied by specialists, old hands at special tasks. This plant also had to adopt the "two-machine system", by which they hope to increase the exploitation of the existing machine equipment by 25 percent.

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